



## NEWS & FEATURES

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### IHAS RETURN FUNDS TO TREASURY

Two IHAs within the jurisdiction of the Eastern Woodlands ONAP have recently returned funds to the federal government. The Mohegan Indians and Mashantucket Pequots, (Connecticut) have returned funds due to the improved financial conditions of their tribes.

The Mohegans decided to return a \$2.2 million housing development grant that was awarded in Fiscal Year 1996. The tribe opened the Mohegan Sun Casino in October, and the facility has been quite profitable for the tribe.

The Mashantucket Pequots have returned \$578,000 which reflects the funds, with interest, that HUD provided the IHA to construct a 10-unit project in 1981. The payback will result in the termination of the low-rent annual contribution contract between the Mashantucket IHA and HUD.

### HUDCLIPS COMES TO THE WEB

Did you know that you are only a point and click away from all of HUD's policy documents? This includes handbooks, notices, US Codes for Titles 12 and 42, Federal Register documents, 24 CFR, and all HUD-related laws.



All those with access to the Internet/WWW now have access to HUDCLIPS. You can download any information with the click of a button on your mouse--or if you would prefer, just click on the "print" button and have your document immediately. No more waiting for a copy of a regulation or notice to be mailed to you, no more trying to read those almost legible faxes of small Federal Register print.

HUDCLIPS (HUD Client Information and Policy System) is a user-friendly, searchable online database that contains the entire inventory of HUD policies and directives. Locating documents has never been easier!

**HUDCLIPS: <http://www.hudclips.org>**

### MANAGING INDIAN ASSETS

Citing major problems in past handling of Native American's assets, a federal trustee has proposed that responsibility for billions of dollars of assets be transferred to a new independent agency run by financial professionals.

Paul M. Homan--a former bank regulator and banker appointed 18 months ago by President Clinton to devise a plan for overhauling the administration of Indian money, land and other assets--has proposed the creation of what is tentatively called the American Indian Trust and Development Administration, which would function like a bank trust department.

A second stage of the plan would create a bank as a source of credit/investment for tribal economic development.

## **MOVING TOWARD A LEAD-SAFE AMERICA**

In a report to Congress in January, HUD outlined the success of the Federal government's coordinated effort to eliminate lead-based paint poisoning as a major childhood environmental disease.

Titled "**Moving Toward a Lead-Safe America**," the report details the efforts of HUD and other federal agencies in empowering communities to control lead-based paint hazards without reducing the affordability and availability of low-income housing.

The latest survey of blood lead levels by the Centers for Disease Control and Prevention (CDC) confirms that the number of children being poisoned by lead has dropped dramatically--from 1.7 million in 1988-1991 to slightly under a million in 1991-1994.

"This is good news -- it shows that our efforts are working," said HUD Secretary Cuomo. "But we can do better. Nearly 1 million children still have too much lead in their bodies. Our goal is to make every child's home in America a lead-safe one."

While blood lead levels have come down for everyone, the report says low-income and minority children continue to be at greater risk. Children living in older housing where lead-based paint is more prevalent also are at higher risk.

To help these children, CDC is proposing updated lead screening guidance that would target efforts to areas where lead risks are significant.

A CDC Notice, published in the February 21, 1997, Federal Register, announced the availability for review and of a draft document entitled, "**Screening Young Children for Lead Poisoning**." The document reflects the input and comments of many persons involved in scientific and programmatic aspects of childhood lead poisoning prevention and child health.

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## **TEAMWORK: Making a Difference**

The Office of Native American Programs and the Office of Inspector General work in tandem to monitor the operations of HUD's Native American Programs and to offer suggestions to improve the efficiency and effectiveness of Indian Housing.

## **AUDITS & INVESTIGATIONS**

Summary information on audit findings and investigation reports are reported through this newsletter with the intention of helping other tribes/IHAs avoid similar problems/findings:

PHOENIX, AZ - Excessive delays have occurred in closure and financial settlement of completed development projects by the HUD SWONAP. An OIG audit found that as of March 31, 1996, there were at least 419 open projects that should have already been closed in HUD systems. Because of the failure to properly close out these projects, over \$38 million of development funds had been reserved but unused for up to 22 years; HUD has not collected at least \$3 million in excess payments made to IHAs; and obligations were overstated in HUD's financial statements by at least \$94.5 million.

The audit report pointed out that HUD accounting systems and lack of priority for

fiscal closeout of projects contributed to the problem. PIH generally agreed with these findings; however, they expressed concern over the availability of staff resources needed to correct the problems.

EDITORS NOTE: ALTHOUGH THIS AUDIT ONLY ADDRESSED PROJECTS WITHIN THE JURISDICTION OF THE SWONAP, FAILURE TO CLOSEOUT DEVELOPMENT PROJECTS IS A PROBLEM ACROSS THE COUNTRY.

[CLOSEOUT OF INDIAN HOUSING DEVELOPMENT PROJECTS, PHOENIX, AZ, 97-SF-107-0001, 1/31/97]

FORT BELKNAP, MT. An employee of the Fort Belknap Credit Department was sentenced to 3 years probation and ordered to pay \$5,000 in restitution and a \$25 victim assessment fee. The employee embezzled more than \$5,000 from the Fort Belknap Housing Authority by writing checks to herself from HUD funded accounts. This investigation was conducted by the HUD and Department of Interior OIGs.

BELCOURT, ND - A report issued in December outlined the limited Operation Safe Home Fraud Review of the Indian Community Development Block Grants received by the Turtle Mountain Band of Chippewa Indians. This review was conducted as part of a national proactive initiative to detect possible fraud or program abuse. OIG did not identify any instance of fraud or program abuse; however, the report cited that the tribe is prematurely drawing down ICDBG funds.

MARYSVILLE, WA - February 27, a report was issued on the audit of the Tulalip Tribes Housing Authority by the District Inspector General for Audit. This report cited, among other findings, that a large, custom home was built with Mutual Help development grant funds for the Housing Authority Executive Director and the Director of Development, wife and husband. This unit had been disallowed by the Northwest ONAP and most of the funds had been recaptured before the audit was conducted.

In addition, over-income families were allowed to participate in the program without getting full approval from HUD as required by the regulations. The homes were built to custom design standards that the audit asserts exceed basic housing needs. The audit report also cites conflict of interest and preception of abuse in that IHA Board members, employees, and their immediate family members are allowed to participate in the program.

SHELTON, WA - The OIG for Audit has issued an audit report on the Southern Puget Sound Inter-Tribal Housing Authority. The audit shows that the IHAs funds were misused in an innovative financing program. The IHA disagrees that the funds were misused and is preparing a response to the audit.

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COPIES OF HUD/OIG ISSUED AUDIT REPORTS ARE AVAILABLE ON THE INTERNET THROUGH THE HUD HOME PAGE, HUD PROGRAMS, OIG.

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## **OIG OFFERS FRAUD PREVENTION GUIDANCE**

To aid in the prevention of fraud, the HUD OIG recommends that IHAs and PHAs establish fraud prevention programs. OIG's anti-fraud policies, which emphasize prevention, were developed with the help of the National Association of Certified Fraud Examiners.

In an effort to further this program, the OIG has developed guidelines for fraud

awareness that will assist HAs in establishing fraud policies with the controls and enforcement tools needed to curb fraud. The OIG has the following available:

- ✧ Guidelines for Public Housing Authorities to Prevent, Detect and Report Fraud

- ✧ An English and Spanish version of a poster that includes information for reporting fraud to the OIG

A copy of Guidelines for HAs to Prevent, Detect and Report Fraud will soon be available on the Internet

Through the Guidelines, HAs are shown that fraud controls are no deterrent unless they are obvious, advertised, and frequently exercised. In the audit profession, this means letting employees, managers, and executives know that auditors are actively seeking out information concerning fraud.

Detection of fraud involves various controls, such as hotlines, rewards, mandatory vacations, job rotations, and surprise audits. HAs are also encouraged to lessen employee pressures with support programs that include alcohol and drug abuse assistance and counseling for gambling and financial difficulties.